

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 13-14, 2005

Reference No.: 2.8c.(2)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Ref: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION, PER RESOLUTION G-03-19, STATE TRANSPORTATION IMPROVEMENT PROGRAM GUIDELINES WAIVER-05-08**

## **ISSUE**

Resolution G-03-19, State Transportation Improvement Program (STIP) Guidelines, adopted by the California Transportation Commission (Commission) on December 11, 2003, stipulates that the Commission may extend the deadline for project completion no more than one time and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and will in no event be for more than twenty (20) months.

For the Oakland to San Jose Track Improvements project, the Department of Transportation (Department) will not be able to meet the project completion deadline specified in the STIP Guidelines and requests an extension of 14 months, until June 30, 2006, to allow sufficient time to resolve outstanding issues.

## **RECOMMENDATION**

The Department of Transportation recommends approval of the extension request.

## **BACKGROUND**

On May 3, 2001, the Commission approved Resolution MFP-00-19, allocating \$20,160,000 in STIP funds for the "San Jose-Oakland Capacity Improvements – Capitol Corridor" project. This funding is one of four fund sources of an overall project agreement with the Capitol Corridor Joint Powers Authority (CCJPA) totaling \$43,600,000. Unanticipated delays, which are described below, have resulted in the need for more time to complete the construction phase of this project.

Ongoing negotiations between Union Pacific Railroad (UP) and the Peninsula Corridor Joint Powers Board (Caltrain) centered around right-of-way ownership at Control Point (CP) Coast in Santa Clara/San Jose, which in turn affected the final design plans based on who owns the tracks. Further compounding the issue was the on-and-off discussions between the Santa Clara Valley Transportation Authority (VTA) and UP regarding the sale of UP's Newhall Yard to VTA for the future BART maintenance facility (part of the BART extension to San Jose). Although the CCJPA was an indirect participant in those discussions, the resulting design changes over an 18 to 24 month period delayed construction of the Oakland to San Jose Improvements project's CP Coast work element nearly a year.

In addition, unexpected storm damage to Southern California track infrastructure necessary for its freight rail business forced UP to shift its labor force away from this project. UP owns the project right-of-way and is the builder of the track, signal, and bridge improvements for the Oakland to San Jose project. Most of the crews are back, but the bigger issue now is unavailability of construction material because of UP's Southern California repair needs. Approximately two to three months have been lost due to a combination of crew shifts and limited construction materials.

To date, \$12.7 million, of the \$20.1 million, has been expended from the funds allocated under CTC Resolution MFP-00-19. Approximately 60 percent of the physical construction for the overall project has been completed.